## SENATE BILL No. 318

#### DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1; IC 8-22-3.5-11; IC 36-7.

**Synopsis:** Adjustment of assessed values. Provides that biennial adjustments of the assessed value of real property apply beginning with the March 1, 2010, assessment date. Specifies that the last annual adjustment shall be applied to adjust assessed values for the March 1, 2008, assessment date, and that assessed values shall not be adjusted for the March 1, 2009, assessment date.



Effective: Upon passage.

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## Mrvan

January 8, 2009, read first time and referred to Committee on Tax and Fiscal Policy.



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#### First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in this style type, and deletions will appear in this style type.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or *this style type* reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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### SENATE BILL No. 318

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 6-1.1-4-4.5, AS AMENDED BY P.L.228-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) The department of local government finance shall adopt rules establishing a system for annually biennially adjusting the assessed value of real property to account for changes in value in those years since a general reassessment of property last took effect.

(b) Subject to subsection (e), for assessment dates before March 1,2009, the system must be applied to adjust assessed values beginning with the 2006 assessment date and in each year thereafter that is not a year in which a reassessment becomes effective. The last annual adjustment shall be applied to adjust assessed values for the March 1, 2008, assessment date. Assessed values shall not be adjusted under this section for the March 1, 2009, assessment date. The system of biennial adjustments first applies beginning with the March 1, 2010, assessment date. Subject to subsection (e), the system must be applied to adjust assessed values beginning with the



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1	2010 assessment date and each even-numbered year thereafter that
2	is not a year in which a reassessment becomes effective.
3	(c) The rules adopted under subsection (a) must include the
4	following characteristics in the system:
5	(1) Promote uniform and equal assessment of real property within
6	and across classifications.
7	(2) Require that assessing officials:
8	(A) reevaluate the factors that affect value;
9	(B) express the interactions of those factors mathematically;
10	(C) use mass appraisal techniques to estimate updated property
11	values within statistical measures of accuracy; and
12	(D) provide notice to taxpayers of an assessment increase that
13	results from the application of annual biennial adjustments.
14	(3) Prescribe procedures that permit the application of the
15	adjustment percentages in an efficient manner by assessing
16	officials.
17	(d) The department of local government finance must review and
18	certify each annual biennial adjustment determined under this section.
19	(e) In making the annual biennial determination of the base rate to
20	satisfy the requirement for an annual a biennial adjustment under
21	subsection (a), the department of local government finance shall
22	determine the base rate using the methodology reflected in Table 2-18
23	of Book 1, Chapter 2 of the department of local government finance's
24	Real Property Assessment Guidelines (as in effect on January 1, 2005),
25	except that the department shall adjust the methodology to use a six (6)
26	year rolling average instead of a four (4) year rolling average.
27	SECTION 2. IC 6-1.1-4-16, AS AMENDED BY P.L.146-2008,
28	SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29	UPON PASSAGE]: Sec. 16. (a) For purposes of making a general
30	reassessment of real property or annual biennial adjustments under
31	section 4.5 of this chapter, a township assessor (if any) and a county
32	assessor may employ:
33	(1) deputies;
34	(2) employees; and
35	(3) technical advisors who are:
36	(A) qualified to determine real property values;
37	(B) professional appraisers certified under 50 IAC 15; and
38	(C) employed either on a full-time or a part-time basis, subject
39	to sections 18.5 and 19.5 of this chapter.
40	(b) The county council of each county shall appropriate the funds
41	necessary for the employment of deputies, employees, or technical
42	advisors employed under subsection (a) of this section.



1	SECTION 3. IC 6-1.1-4-27.5, AS AMENDED BY P.L.146-2008,
2	SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	UPON PASSAGE]: Sec. 27.5. (a) The auditor of each county shall
4	establish a property reassessment fund. The county treasurer shall
5	deposit all collections resulting from the property taxes that the county
6	levies for the county's property reassessment fund.
7	(b) With respect to the general reassessment of real property that is
8	to commence on July 1, 2009, the county council of each county shall,
9	for property taxes due in 2006, 2007, 2008, and 2009, levy in each year
10	against all the taxable property in the county an amount equal to
11	one-fourth (1/4) of the remainder of:
12	(1) the estimated costs referred to in section 28.5(a) of this
13	chapter; minus
14	(2) the amount levied under this section by the county council for
15	property taxes due in 2004 and 2005.
16	(c) With respect to a general reassessment of real property that is to
17	commence on July 1, 2014, and each fifth year thereafter, the county
18	council of each county shall, for property taxes due in the year that the
19	general reassessment is to commence and the four (4) years preceding
20	that year, levy against all the taxable property in the county an amount
21	equal to one-fifth (1/5) of the estimated costs of the general
22	reassessment under section 28.5 of this chapter.
23	(d) The department of local government finance shall give to each
24	county council notice, before January 1 in a year, of the tax levies
25	required by this section for that year.
26	(e) The department of local government finance may raise or lower
27	the property tax levy under this section for a year if the department
28	determines it is appropriate because the estimated cost of:
29	(1) a general reassessment; or
30	(2) making annual biennial adjustments under section 4.5 of this
31	chapter;
32	has changed.
33	(f) The county assessor may petition the county fiscal body to
34	increase the levy under subsection (b) or (c) to pay for the costs of:
35	(1) a general reassessment;
36	(2) verification under 50 IAC 21-3-2 of sales disclosure forms
37	forwarded to the county assessor under IC 6-1.1-5.5-3; or
38	(3) processing annual biennial adjustments under section 4.5 of
39	this chapter.
40	The assessor must document the needs and reasons for the increased
41	funding.
42	(g) If the county fiscal body denies a petition under subsection (f),



1	the county assessor may appeal to the department of local government
2	finance. The department of local government finance shall:
3	(1) hear the appeal; and
4	(2) determine whether the additional levy is necessary.
5	SECTION 4. IC 6-1.1-4-28.5, AS AMENDED BY P.L.146-2008,
6	SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
7	UPON PASSAGE]: Sec. 28.5. (a) Money assigned to a property
8	reassessment fund under section 27.5 of this chapter may be used only
9	to pay the costs of:
10	(1) the general reassessment of real property, including the
11	computerization of assessment records;
12	(2) payments to assessing officials and hearing officers for county
13	property tax assessment boards of appeals under IC 6-1.1-35.2;
14	(3) the development or updating of detailed soil survey data by
15	the United States Department of Agriculture or its successor
16	agency;
17	(4) the updating of plat books;
18	(5) payments for the salary of permanent staff or for the
19	contractual services of temporary staff who are necessary to assist
20	assessing officials;
21	(6) making annual biennial adjustments under section 4.5 of this
22	chapter; and
23	(7) the verification under 50 IAC 21-3-2 of sales disclosure forms
24	forwarded to:
25	(A) the county assessor; or
26	(B) township assessors (if any);
27	under IC 6-1.1-5.5-3.
28	Money in a property tax reassessment fund may not be transferred or
29	reassigned to any other fund and may not be used for any purposes
30	other than those set forth in this section.
31	(b) All counties shall use modern, detailed soil maps in the general
32	reassessment of agricultural land.
33	(c) The county treasurer of each county shall, in accordance with
34	IC 5-13-9, invest any money accumulated in the property reassessment
35	fund. Any interest received from investment of the money shall be paid
36	into the property reassessment fund.
37	(d) An appropriation under this section must be approved by the
38	fiscal body of the county after the review and recommendation of the
39	county assessor. However, in a county with a township assessor in
40	every township, the county assessor does not review an appropriation
41	under this section, and only the fiscal body must appropriation
12	appropriation under this section.
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1	SECTION 5. IC 6-1.1-12.4-2, AS AMENDED BY P.L.146-2008,	
2	SECTION 130, IS AMENDED TO READ AS FOLLOWS	
3	[EFFECTIVE UPON PASSAGE]: Sec. 2. (a) For purposes of this	
4	section, an increase in the assessed value of real property is determined	
5	in the same manner that an increase in the assessed value of real	
6	property is determined for purposes of IC 6-1.1-12.1.	
7	(b) This subsection applies only to a development, redevelopment,	
8	or rehabilitation that is first assessed after March 1, 2005, and before	
9	March 2, 2007. Except as provided in subsection (h) and sections 4, 5,	
10	and 8 of this chapter, an owner of real property that:	
11	(1) develops, redevelops, or rehabilitates the real property; and	
12	(2) creates or retains employment from the development,	
13	redevelopment, or rehabilitation;	
14	is entitled to a deduction from the assessed value of the real property.	
15	(c) Subject to section 14 of this chapter, the deduction under this	
16	section is first available in the year in which the increase in assessed	
17	value resulting from the development, redevelopment, or rehabilitation	
18	occurs and continues for the following two (2) years. The amount of the	
19	deduction that a property owner may receive with respect to real	
20	property located in a county for a particular year equals the lesser of:	
21	(1) two million dollars (\$2,000,000); or	
22	(2) the product of:	
23	(A) the increase in assessed value resulting from the	
24	development, rehabilitation, or redevelopment; multiplied by	
25	(B) the percentage from the following table:	
26	YEAR OF DEDUCTION PERCENTAGE	
27	1st 75%	
28	2nd 50%	
29	3rd 25%	
30	(d) A property owner that qualifies for the deduction under this	
31	section must file a notice to claim the deduction in the manner	
32	prescribed by the department of local government finance under rules	
33	adopted by the department of local government finance under	
34	IC 4-22-2 to implement this chapter. The township assessor, or the	
35	county assessor if there is no township assessor for the township, shall:	
36	(1) inform the county auditor of the real property eligible for the	
37	deduction as contained in the notice filed by the taxpayer under	
38	this subsection; and	
39	(2) inform the county auditor of the deduction amount.	
40	(e) The county auditor shall:	
41	(1) make the deductions; and	
42	(2) notify the county property tax assessment board of appeals of	



1	all deductions approved;
2	under this section.
3	(f) The amount of the deduction determined under subsection (c)(2)
4	is adjusted to reflect the percentage increase or decrease in assessed
5	valuation that results from:
6	(1) a general reassessment of real property under IC 6-1.1-4-4; or
7	(2) an annual a biennial adjustment under IC 6-1.1-4-4.5.
8	(g) If an appeal of an assessment is approved that results in a
9	reduction of the assessed value of the real property, the amount of the
0	deduction under this section is adjusted to reflect the percentage
1	decrease that results from the appeal.
2	(h) The deduction under this section does not apply to a facility
3	listed in IC 6-1.1-12.1-3(e).
4	SECTION 6. IC 6-1.1-18-12, AS AMENDED BY P.L.146-2008,
.5	SECTION 168, IS AMENDED TO READ AS FOLLOWS
6	[EFFECTIVE UPON PASSAGE]: Sec. 12. (a) For purposes of this
7	section, "maximum rate" refers to the maximum:
8	(1) property tax rate or rates; or
9	(2) special benefits tax rate or rates;
20	referred to in the statutes listed in subsection (d).
21	(b) The maximum rate for taxes first due and payable after 2003 is
22	the maximum rate that would have been determined under subsection
23	(e) for taxes first due and payable in 2003 if subsection (e) had applied
24	for taxes first due and payable in 2003.
25	(c) The maximum rate must be adjusted each year as necessary to
26	account for the change in assessed value of real property that results
27	from:
28	(1) an annual a biennial adjustment of the assessed value of real
29	property under IC 6-1.1-4-4.5; or
0	(2) a general reassessment of real property under IC 6-1.1-4-4.
31	(d) The statutes to which subsection (a) refers are:
32	(1) IC 8-10-5-17;
3	(2) IC 8-22-3-11;
4	(3) IC 8-22-3-25;
55	(4) IC 12-29-1-1;
66	(5) IC 12-29-1-2;
37	(6) IC 12-29-1-3;
8	(7) IC 12-29-3-6;
9	(8) IC 13-21-3-12;
10	(9) IC 13-21-3-15;
1	(10) IC 14-27-6-30;
12	(11) IC 14-33-7-3:



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              (12) IC 14-33-21-5;
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              (13) IC 15-14-7-4;
 3
              (14) IC 15-14-9-1;
 4
              (15) IC 15-14-9-2;
 5
              (16) IC 16-20-2-18;
 6
              (17) IC 16-20-4-27;
 7
              (18) IC 16-20-7-2;
 8
              (19) IC 16-22-14;
 9
              (20) IC 16-23-1-29;
10
              (21) IC 16-23-3-6;
11
              (22) IC 16-23-4-2;
12
              (23) IC 16-23-5-6;
13
              (24) IC 16-23-7-2;
              (25) IC 16-23-8-2;
14
15
              (26) IC 16-23-9-2;
16
              (27) IC 16-41-15-5;
17
              (28) IC 16-41-33-4;
18
              (29) IC 20-46-2-3 (before its repeal on January 1, 2009);
19
              (30) IC 20-46-6-5;
20
              (31) IC 20-49-2-10;
21
              (32) IC 36-1-19-1;
22
              (33) IC 23-14-66-2;
23
              (34) IC 23-14-67-3;
24
              (35) IC 36-7-13-4;
25
              (36) IC 36-7-14-28;
26
              (37) IC 36-7-15.1-16;
27
              (38) IC 36-8-19-8.5;
28
              (39) IC 36-9-6.1-2;
29
              (40) IC 36-9-17.5-4;
30
              (41) IC 36-9-27-73;
31
              (42) IC 36-9-29-31;
32
              (43) IC 36-9-29.1-15;
33
              (44) IC 36-10-6-2;
34
              (45) IC 36-10-7-7;
35
              (46) IC 36-10-7-8;
              (47) IC 36-10-7.5-19;
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37
              (48) IC 36-10-13-5;
38
              (49) IC 36-10-13-7;
39
              (50) IC 36-10-14-4;
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              (51) IC 36-12-7-7;
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              (52) IC 36-12-7-8;
42
              (53) IC 36-12-12-10; and
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1	(54) any statute enacted after December 31, 2003, that:
2	(A) establishes a maximum rate for any part of the:
3	(i) property taxes; or
4	(ii) special benefits taxes;
5	imposed by a political subdivision; and
6	(B) does not exempt the maximum rate from the adjustment
7	under this section.
8	(e) The new maximum rate under a statute listed in subsection (d)
9	is the tax rate determined under STEP SEVEN of the following STEPS:
10	STEP ONE: Determine the maximum rate for the political
11	subdivision levying a property tax or special benefits tax under
12	the statute for the year preceding the year in which the annual
13	biennial adjustment or general reassessment takes effect.
14	STEP TWO: Determine the actual percentage increase (rounded
15	to the nearest one-hundredth percent (0.01%)) in the assessed
16	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
17	taxable property from the year preceding the year the annual in
18	which the most recent preceding biennial adjustment or general
19	reassessment takes effect was effective to the year that the annual
20	biennial adjustment or general reassessment takes effect.
21	STEP THREE: Determine the three (3) calendar years that
22	immediately precede the ensuing calendar year and in which a
23	statewide general reassessment of real property does not first take
24	effect.
25	STEP FOUR: Compute separately, for each of the calendar years
26	determined in STEP THREE, the actual percentage increase
27	(rounded to the nearest one-hundredth percent (0.01%)) in the
28	assessed value (before the adjustment, if any, under
29	IC 6-1.1-4-4.5) of the taxable property from the preceding year.
30	STEP FIVE: Divide the sum of the three (3) quotients computed
31	in STEP FOUR by three (3).
32	STEP SIX: Determine the greater of the following:
33	(A) Zero (0).
34	(B) The result of the STEP TWO percentage minus the STEP
35	FIVE percentage.
36	STEP SEVEN: Determine the quotient of the STEP ONE tax rate
37	divided by the sum of one (1) plus the STEP SIX percentage
38	increase.
39	(f) The department of local government finance shall compute the
40	maximum rate allowed under subsection (e) and provide the rate to
41	each political subdivision with authority to levy a tax under a statute
42	listed in subsection (d).



1	SECTION 7. IC 6-1.1-18-13, AS AMENDED BY P.L.219-2007,
2	SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3	UPON PASSAGE]: Sec. 13. (a) The maximum property tax rate levied
4	under IC 20-46-6 by each school corporation for the school
5	corporation's capital projects fund must be adjusted each year as
6	necessary to account for the change in assessed value of real property
7	that results from:
8	(1) an annual a biennial adjustment of the assessed value of real
9	property under IC 6-1.1-4-4.5; or
10	(2) a general reassessment of real property under IC 6-1.1-4-4.
11	(b) The new maximum rate under this section is the tax rate
12	determined under STEP SEVEN of the following formula:
13	STEP ONE: Determine the maximum rate for the school
14	corporation for the year preceding the year in which the annual
15	biennial adjustment or general reassessment takes effect.
16	STEP TWO: Determine the actual percentage increase (rounded
17	to the nearest one-hundredth percent (0.01%)) in the assessed
18	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the
19	taxable property from the year preceding the year the annual in
20	which the most recent preceding biennial adjustment or general
21	reassessment takes effect was effective to the year that the annual
22	biennial adjustment or general reassessment is effective.
23	STEP THREE: Determine the three (3) calendar years that
24	immediately precede the ensuing calendar year and in which a
25	statewide general reassessment of real property does not first
26	become effective.
27	STEP FOUR: Compute separately, for each of the calendar years
28	determined in STEP THREE, the actual percentage increase
29	(rounded to the nearest one-hundredth percent (0.01%)) in the
30	assessed value (before the adjustment, if any, under
31	IC 6-1.1-4-4.5) of the taxable property from the preceding year.
32	STEP FIVE: Divide the sum of the three (3) quotients computed
33	in STEP FOUR by three (3).
34	STEP SIX: Determine the greater of the following:
35	(A) Zero (0).
36	(B) The result of the STEP TWO percentage minus the STEP
37	FIVE percentage.
38	STEP SEVEN: Determine the quotient of the STEP ONE tax rate
39	divided by the sum of one (1) plus the STEP SIX percentage
40	increase.
41	(c) The department of local government finance shall compute the
42	maximum rate allowed under subsection (b) and provide the rate to



1	each school corporation.	
2	SECTION 8. IC 6-1.1-18.5-1, AS AMENDED BY P.L.154-2006,	
3	SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE	
4	UPON PASSAGE]: Sec. 1. As used in this chapter:	
5	"Ad valorem property tax levy for an ensuing calendar year" means	
6	the total property taxes imposed by a civil taxing unit for current	
7	property taxes collectible in that ensuing calendar year.	
8	"Adopting county" means any county in which the county adjusted	
9	gross income tax is in effect.	
10	"Civil taxing unit" means any taxing unit except a school	
11	corporation.	
12	"Maximum permissible ad valorem property tax levy for the	
13	preceding calendar year" means the greater of:	
14	(1) the remainder of:	
15	(A) the civil taxing unit's maximum permissible ad valorem	
16	property tax levy for the calendar year immediately preceding	
17	the ensuing calendar year, as that levy was determined under	
18	section 3 of this chapter; minus	
19	(B) one-half (1/2) of the remainder of:	
20	(i) the civil taxing unit's maximum permissible ad valorem	
21	property tax levy referred to in clause (A); minus	
22	(ii) the civil taxing unit's ad valorem property tax levy for	
23	the calendar year immediately preceding the ensuing	
24	calendar year referred to in subdivision (2); or	
25	(2) the civil taxing unit's ad valorem property tax levy for the	
26	calendar year immediately preceding the ensuing calendar year,	
27	as that levy was determined by the department of local	1
28	government finance in fixing the civil taxing unit's budget, levy,	
29	and rate for that preceding calendar year under IC 6-1.1-17, and	
30	after eliminating the effects of temporary excessive levy appeals	
31	and temporary adjustments made to the working maximum levy	
32	for the calendar year immediately preceding the ensuing calendar	
33	year, as determined by the department of local government	
34	finance.	
35	"Taxable property" means all tangible property that is subject to the	
36	tax imposed by this article and is not exempt from the tax under	
37	IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this	
38	chapter, the term "taxable property" is further defined in section 6 of	
39	this chapter.	
40	"Unadjusted assessed value" means the assessed value of a civil	
41	taxing unit as determined by local assessing officials and the	
42	department of local government finance in a particular calendar year	



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         before the application of an annual a biennial adjustment under
 2
         IC 6-1.1-4-4.5 for that particular calendar year or any calendar year
 3
         since the last general reassessment preceding the particular calendar
 4
         year.
 5
             SECTION 9. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.219-2007,
         SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
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 7
         UPON PASSAGE]: Sec. 9.8. (a) For purposes of determining the
 8
         property tax levy limit imposed on a city, town, or county under section
 9
         3 of this chapter, the city, town, or county's ad valorem property tax
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         levy for a particular calendar year does not include an amount equal to
11
         the lesser of:
12
              (1) the amount of ad valorem property taxes that would be first
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              due and payable to the city, town, or county during the ensuing
14
              calendar year if the taxing unit imposed the maximum permissible
15
              property tax rate per one hundred dollars ($100) of assessed
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              valuation that the civil taxing unit may impose for the particular
              calendar year under the authority of IC 36-9-14.5 (in the case of
17
18
              a county) or IC 36-9-15.5 (in the case of a city or town); or
19
              (2) the excess, if any, of:
20
                  (A) the property taxes imposed by the city, town, or county
21
                  under the authority of:
22
                    IC 3-11-6-9;
23
                    IC 8-16-3;
24
                    IC 8-16-3.1;
25
                    IC 8-22-3-25;
                    IC 14-27-6-48;
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27
                    IC 14-33-9-3;
28
                    IC 16-22-8-41;
29
                    IC 16-22-5-2 through IC 16-22-5-15;
30
                    IC 16-23-1-40;
31
                    IC 36-8-14;
32
                    IC 36-9-4-48;
33
                    IC 36-9-14;
34
                    IC 36-9-14.5;
35
                    IC 36-9-15;
                    IC 36-9-15.5;
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37
                    IC 36-9-16;
38
                    IC 36-9-16.5;
39
                    IC 36-9-17;
40
                    IC 36-9-26;
41
                    IC 36-9-27-100;
42
                    IC 36-10-3-21; or
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1	IC 36-10-4-36;	
2	that are first due and payable during the ensuing calendar year;	
3	over	
4	(B) the property taxes imposed by the city, town, or county	
5	under the authority of the citations listed in clause (A) that	
6	were first due and payable during calendar year 1984.	
7	(b) The maximum property tax rate levied under the statutes listed	
8	in subsection (a) must be adjusted each year as necessary to account	
9	for the change in assessed value of real property that results from:	
10	(1) an annual a biennial adjustment of the assessed value of real	1
11	property under IC 6-1.1-4-4.5; or	
12	(2) a general reassessment of real property under IC 6-1.1-4-4.	
13	(c) The new maximum rate under a statute listed in subsection (a)	
14	is the tax rate determined under STEP SEVEN of the following	
15	formula:	
16	STEP ONE: Determine the maximum rate for the political	(
17	subdivision levying a property tax under the statute for the year	•
18	preceding the year in which the annual biennial adjustment or	
19	general reassessment takes effect.	
20	STEP TWO: Determine the actual percentage increase (rounded	
21	to the nearest one-hundredth percent (0.01%)) in the assessed	
22	value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the	
23	taxable property from the year <del>preceding the year the annual in</del>	
24	which the most recent preceding biennial adjustment or general	
25	reassessment takes effect was effective to the year that the annual	
26	<b>biennial</b> adjustment or general reassessment is effective.	
27	STEP THREE: Determine the three (3) calendar years that	\
28	immediately precede the ensuing calendar year and in which a	_
29	statewide general reassessment of real property does not first	
30	become effective.	
31	STEP FOUR: Compute separately, for each of the calendar years	
32	determined in STEP THREE, the actual percentage increase	
33	(rounded to the nearest one-hundredth percent (0.01%)) in the	
34	assessed value (before the adjustment, if any, under	
35	IC 6-1.1-4-4.5) of the taxable property from the preceding year.	
36	STEP FOLIP by these (2)	
37	in STEP FOUR by three (3).  STEP SIX: Determine the greater of the following:	
38 39	STEP SIX: Determine the greater of the following:	
59 40	(A) Zero (0).  (B) The result of the STEP TWO percentage minus the STEP	
+0 41	(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.	
+1 42	STEP SEVEN: Determine the quotient of the STEP ONE tax rate	
τ∠	STET SEVEN. Determine the quotient of the STEF ONE tax rate	



1	divided by the sum of one (1) plus the STEP SIX percentage
2	increase.
3	(d) The department of local government finance shall compute the
4	maximum rate allowed under subsection (c) and provide the rate to
5	each political subdivision with authority to levy a tax under a statute
6	listed in subsection (a).
7	SECTION 10. IC 6-1.1-39-5, AS AMENDED BY P.L.146-2008,
8	SECTION 296, IS AMENDED TO READ AS FOLLOWS
9	[EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A declaratory ordinance
10	adopted under section 2 of this chapter and confirmed under section 3
11	of this chapter must include a provision with respect to the allocation
12	and distribution of property taxes for the purposes and in the manner
13	provided in this section. The allocation provision must apply to the
14	entire economic development district. The allocation provisions must
15	require that any property taxes subsequently levied by or for the benefit
16	of any public body entitled to a distribution of property taxes on taxable
17	property in the economic development district be allocated and
18	distributed as follows:
19	(1) Except as otherwise provided in this section, the proceeds of
20	the taxes attributable to the lesser of:
21	(A) the assessed value of the property for the assessment date
22	with respect to which the allocation and distribution is made;
23	or
24	(B) the base assessed value;
25	shall be allocated to and, when collected, paid into the funds of
26	the respective taxing units. However, if the effective date of the
27	allocation provision of a declaratory ordinance is after March 1,
28	1985, and before January 1, 1986, and if an improvement to
29	property was partially completed on March 1, 1985, the unit may
30	provide in the declaratory ordinance that the taxes attributable to
31	the assessed value of the property as finally determined for March
32	1, 1984, shall be allocated to and, when collected, paid into the
33	funds of the respective taxing units.
34	(2) Except as otherwise provided in this section, part or all of the
35	property tax proceeds in excess of those described in subdivision
36	(1), as specified in the declaratory ordinance, shall be allocated to
37	the unit for the economic development district and, when
38	collected, paid into a special fund established by the unit for that
39	economic development district that may be used only to pay the
40	principal of and interest on obligations owed by the unit under

IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of

industrial development programs in, or serving, that economic



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1	development district. The amount not paid into the special fund
2	shall be paid to the respective units in the manner prescribed by
3	subdivision (1).
4	(3) When the money in the fund is sufficient to pay all
5	outstanding principal of and interest (to the earliest date on which
6	the obligations can be redeemed) on obligations owed by the unit
7	under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing
8	of industrial development programs in, or serving, that economic
9	development district, money in the special fund in excess of that
10	amount shall be paid to the respective taxing units in the manner
11	prescribed by subdivision (1).
12	(b) Property tax proceeds allocable to the economic development
13	district under subsection (a)(2) must, subject to subsection (a)(3), be
14	irrevocably pledged by the unit for payment as set forth in subsection
15	(a)(2).
16	(c) For the purpose of allocating taxes levied by or for any taxing
17	unit or units, the assessed value of taxable property in a territory in the
18	economic development district that is annexed by any taxing unit after
19	the effective date of the allocation provision of the declaratory
20	ordinance is the lesser of:
21	(1) the assessed value of the property for the assessment date with
22	respect to which the allocation and distribution is made; or
23	(2) the base assessed value.
24	(d) Notwithstanding any other law, each assessor shall, upon
25	petition of the fiscal body, reassess the taxable property situated upon
26	or in, or added to, the economic development district effective on the
27	next assessment date after the petition.
28	(e) Notwithstanding any other law, the assessed value of all taxable
29	property in the economic development district, for purposes of tax
30	limitation, property tax replacement, and formulation of the budget, tax
31	rate, and tax levy for each political subdivision in which the property
32	is located, is the lesser of:
33	(1) the assessed value of the property as valued without regard to
34	this section; or
35	(2) the base assessed value.
36	(f) The state board of accounts and department of local government
37	finance shall make the rules and prescribe the forms and procedures
38	that they consider expedient for the implementation of this chapter.
39	After each general reassessment under IC 6-1.1-4, the department of
40	local government finance shall adjust the base assessed value one (1)
41	time to neutralize any effect of the general reassessment on the

property tax proceeds allocated to the district under this section. After



1	each annual biennial adjustment under IC 6-1.1-4-4.5, the department
2	of local government finance shall adjust the base assessed value to
3	neutralize any effect of the annual biennial adjustment on the property
4	tax proceeds allocated to the district under this section. However, the
5	adjustments under this subsection may not include the effect of
6	property tax abatements under IC 6-1.1-12.1.
7	(g) As used in this section, "property taxes" means:
8	(1) taxes imposed under this article on real property; and
9	(2) any part of the taxes imposed under this article on depreciable
10	personal property that the unit has by ordinance allocated to the
11	economic development district. However, the ordinance may not
12	limit the allocation to taxes on depreciable personal property with
13	any particular useful life or lives.
14	If a unit had, by ordinance adopted before May 8, 1987, allocated to an
15	economic development district property taxes imposed under IC 6-1.1
16	on depreciable personal property that has a useful life in excess of eight
17	(8) years, the ordinance continues in effect until an ordinance is
18	adopted by the unit under subdivision (2).
19	(h) As used in this section, "base assessed value" means:
20	(1) the net assessed value of all the property as finally determined
21	for the assessment date immediately preceding the effective date
22	of the allocation provision of the declaratory resolution, as
23	adjusted under subsection (f); plus
24	(2) to the extent that it is not included in subdivision (1), the net
25	assessed value of property that is assessed as residential property
26	under the rules of the department of local government finance, as
27	finally determined for any assessment date after the effective date
28	of the allocation provision.
29	Subdivision (2) applies only to economic development districts
30	established after June 30, 1997, and to additional areas established
31	after June 30, 1997.
32	SECTION 11. IC 8-22-3.5-11, AS AMENDED BY P.L.154-2006,
33	SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34	UPON PASSAGE]: Sec. 11. (a) The state board of accounts and the
35	department of local government finance shall make the rules and
36	prescribe the forms and procedures that the state board of accounts and
37	department consider appropriate for the implementation of this chapter.
38	(b) After each general reassessment under IC 6-1.1-4, the

department of local government finance shall adjust the base assessed

value (as defined in section 9 of this chapter) one (1) time to neutralize

any effect of the general reassessment on the property tax proceeds

allocated to the airport development zone's special funds under section

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1	9 of this chapter.
2	(c) After each annual biennial adjustment under IC 6-1.1-4-4.5, the
3	department of local government finance shall adjust the base assessed
4	value (as defined in section 9 of this chapter) to neutralize any effect
5	of the annual biennial adjustment on the property tax proceeds
6	allocated to the airport development zone's special funds under section
7	9 of this chapter.
8	SECTION 12. IC 36-7-14-39, AS AMENDED BY P.L.146-2008,
9	SECTION 738, IS AMENDED TO READ AS FOLLOWS
0	[EFFECTIVE UPON PASSAGE]: Sec. 39. (a) As used in this section:
.1	"Allocation area" means that part of a redevelopment project area
2	to which an allocation provision of a declaratory resolution adopted
3	under section 15 of this chapter refers for purposes of distribution and
4	allocation of property taxes.
5	"Base assessed value" means the following:
6	(1) If an allocation provision is adopted after June 30, 1995, in a
7	declaratory resolution or an amendment to a declaratory
8	resolution establishing an economic development area:
9	(A) the net assessed value of all the property as finally
20	determined for the assessment date immediately preceding the
21	effective date of the allocation provision of the declaratory
22	resolution, as adjusted under subsection (h); plus
23	(B) to the extent that it is not included in clause (A), the net
24	assessed value of property that is assessed as residential
25	property under the rules of the department of local government
26	finance, as finally determined for any assessment date after the
27	effective date of the allocation provision.
28	(2) If an allocation provision is adopted after June 30, 1997, in a
29	declaratory resolution or an amendment to a declaratory
30	resolution establishing a redevelopment project area:
31	(A) the net assessed value of all the property as finally
32	determined for the assessment date immediately preceding the
33	effective date of the allocation provision of the declaratory
34	resolution, as adjusted under subsection (h); plus
35	(B) to the extent that it is not included in clause (A), the net
66	assessed value of property that is assessed as residential
37	property under the rules of the department of local government
8	finance, as finally determined for any assessment date after the
19	effective date of the allocation provision.
10	(3) If:
1	(A) an allocation provision adopted before June 30, 1995, in
12	a declaratory resolution or an amendment to a declaratory



1	resolution establishing a redevelopment project area expires	
2	after June 30, 1997; and	
3	(B) after June 30, 1997, a new allocation provision is included	
4	in an amendment to the declaratory resolution;	
5	the net assessed value of all the property as finally determined for	
6	the assessment date immediately preceding the effective date of	
7	the allocation provision adopted after June 30, 1997, as adjusted	
8	under subsection (h).	
9	(4) Except as provided in subdivision (5), for all other allocation	
10	areas, the net assessed value of all the property as finally	
11	determined for the assessment date immediately preceding the	
12	effective date of the allocation provision of the declaratory	
13	resolution, as adjusted under subsection (h).	
14	(5) If an allocation area established in an economic development	
15	area before July 1, 1995, is expanded after June 30, 1995, the	
16	definition in subdivision (1) applies to the expanded part of the	
17	area added after June 30, 1995.	
18	(6) If an allocation area established in a redevelopment project	
19	area before July 1, 1997, is expanded after June 30, 1997, the	
20	definition in subdivision (2) applies to the expanded part of the	
21	area added after June 30, 1997.	
22	Except as provided in section 39.3 of this chapter, "property taxes"	
23	means taxes imposed under IC 6-1.1 on real property. However, upon	
24	approval by a resolution of the redevelopment commission adopted	
25	before June 1, 1987, "property taxes" also includes taxes imposed	
26	under IC 6-1.1 on depreciable personal property. If a redevelopment	
27	commission adopted before June 1, 1987, a resolution to include within	
28	the definition of property taxes taxes imposed under IC 6-1.1 on	
29	depreciable personal property that has a useful life in excess of eight	
30	(8) years, the commission may by resolution determine the percentage	
31	of taxes imposed under IC 6-1.1 on all depreciable personal property	
32	that will be included within the definition of property taxes. However,	
33	the percentage included must not exceed twenty-five percent (25%) of	
34	the taxes imposed under IC 6-1.1 on all depreciable personal property.	
35	(b) A declaratory resolution adopted under section 15 of this chapter	
36	on or before the allocation deadline determined under subsection (i)	
37	may include a provision with respect to the allocation and distribution	
38	of property taxes for the purposes and in the manner provided in this	
39	section. A declaratory resolution previously adopted may include an	
40	allocation provision by the amendment of that declaratory resolution on	
41	or before the allocation deadline determined under subsection (i) in	

accordance with the procedures required for its original adoption. A



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declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the
allocation provision. For an allocation area established before July 1,
2008, the expiration date may not be more than thirty (30) years after
the date on which the allocation provision is established. For an
allocation area established after June 30, 2008, the expiration date may
not be more than twenty-five (25) years after the date on which the
allocation provision is established. However, with respect to bonds or
other obligations that were issued before July 1, 2008, if any of the
bonds or other obligations that were scheduled when issued to mature
before the specified expiration date and that are payable only from
allocated tax proceeds with respect to the allocation area remain
outstanding as of the expiration date, the allocation provision does not
expire until all of the bonds or other obligations are no longer
outstanding. The allocation provision may apply to all or part of the
redevelopment project area. The allocation provision must require that
any property taxes subsequently levied by or for the benefit of any
public body entitled to a distribution of property taxes on taxable
property in the allocation area be allocated and distributed as follows:
(1) Except as otherwise provided in this section, the proceeds of
the taxes attributable to the lesser of:
(A) the assessed value of the property for the assessment date
with respect to which the allocation and distribution is made;
or

- - (B) the base assessed value;
- shall be allocated to and, when collected, paid into the funds of the respective taxing units.
- (2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:
  - (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
  - (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
  - (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the











1	special tax levied under section 27 of this chapter.
2	(D) Pay the principal of and interest on bonds issued by the
3	unit to pay for local public improvements that are physically
4	located in or physically connected to that allocation area.
5	(E) Pay premiums on the redemption before maturity of bonds
6	payable solely or in part from allocated tax proceeds in that
7	allocation area.
8	(F) Make payments on leases payable from allocated tax
9	proceeds in that allocation area under section 25.2 of this
10	chapter.
11	(G) Reimburse the unit for expenditures made by it for local
12	public improvements (which include buildings, parking
13	facilities, and other items described in section 25.1(a) of this
14	chapter) that are physically located in or physically connected
15	to that allocation area.
16	(H) Reimburse the unit for rentals paid by it for a building or
17	parking facility that is physically located in or physically
18	connected to that allocation area under any lease entered into
19	under IC 36-1-10.
20	(I) For property taxes first due and payable before January 1,
21	2009, pay all or a part of a property tax replacement credit to
22	taxpayers in an allocation area as determined by the
23	redevelopment commission. This credit equals the amount
24	determined under the following STEPS for each taxpayer in a
25	taxing district (as defined in IC 6-1.1-1-20) that contains all or
26	part of the allocation area:
27	STEP ONE: Determine that part of the sum of the amounts
28	under IC $6-1.1-21-2(g)(1)(A)$ , IC $6-1.1-21-2(g)(2)$ ,
29	IC $6-1.1-21-2(g)(3)$ , IC $6-1.1-21-2(g)(4)$ , and
30	IC $6-1.1-21-2(g)(5)$ that is attributable to the taxing district.
31	STEP TWO: Divide:
32	(i) that part of each county's eligible property tax
33	replacement amount (as defined in IC 6-1.1-21-2) for that
34	year as determined under IC 6-1.1-21-4 that is attributable
35	to the taxing district; by
36	(ii) the STEP ONE sum.
37	STEP THREE: Multiply:
38	(i) the STEP TWO quotient; times
39	(ii) the total amount of the taxpayer's taxes (as defined in
40	IC 6-1.1-21-2) levied in the taxing district that have been
41	allocated during that year to an allocation fund under this
12	section



1	If not all the taxpayers in an allocation area receive the credit	
2	in full, each taxpayer in the allocation area is entitled to	
3	receive the same proportion of the credit. A taxpayer may not	
4	receive a credit under this section and a credit under section	
5	39.5 of this chapter (before its repeal) in the same year.	
6	(J) Pay expenses incurred by the redevelopment commission	
7	for local public improvements that are in the allocation area or	
8	serving the allocation area. Public improvements include	
9	buildings, parking facilities, and other items described in	
10	section 25.1(a) of this chapter.	
11	(K) Reimburse public and private entities for expenses	
12	incurred in training employees of industrial facilities that are	
13	located:	
14	(i) in the allocation area; and	
15	(ii) on a parcel of real property that has been classified as	
16	industrial property under the rules of the department of local	
17	government finance.	
18	However, the total amount of money spent for this purpose in	
19	any year may not exceed the total amount of money in the	
20	allocation fund that is attributable to property taxes paid by the	
21	industrial facilities described in this clause. The	
22	reimbursements under this clause must be made within three	
23	(3) years after the date on which the investments that are the	
24	basis for the increment financing are made.	
25	The allocation fund may not be used for operating expenses of the	
26	commission.	
27	(3) Except as provided in subsection (g), before July 15 of each	,
28	year the commission shall do the following:	
29	(A) Determine the amount, if any, by which the assessed value	
30	of the taxable property in the allocation area for the most	
31	recent assessment date minus the base assessed value, when	
32	multiplied by the estimated tax rate of the allocation area, will	
33	exceed the amount of assessed value needed to produce the	
34	property taxes necessary to make, when due, principal and	
35	interest payments on bonds described in subdivision (2) plus	
36	the amount necessary for other purposes described in	
37	subdivision (2).	
38	(B) Provide a written notice to the county auditor, the fiscal	
39	body of the county or municipality that established the	
40	department of redevelopment, and the officers who are	
41	authorized to fix budgets, tax rates, and tax levies under	

IC 6-1.1-17-5 for each of the other taxing units that is wholly



1	or partly located within the allocation area. The notice must:	
2	(i) state the amount, if any, of excess assessed value that the	
3	commission has determined may be allocated to the	
4	respective taxing units in the manner prescribed in	
5	subdivision (1); or	
6	(ii) state that the commission has determined that there is no	
7	excess assessed value that may be allocated to the respective	
8	taxing units in the manner prescribed in subdivision (1).	
9	The county auditor shall allocate to the respective taxing units	
0	the amount, if any, of excess assessed value determined by the	
.1	commission. The commission may not authorize an allocation	
2	of assessed value to the respective taxing units under this	
.3	subdivision if to do so would endanger the interests of the	
4	holders of bonds described in subdivision (2) or lessors under	
.5	section 25.3 of this chapter.	
6	(c) For the purpose of allocating taxes levied by or for any taxing	
7	unit or units, the assessed value of taxable property in a territory in the	
. 8	allocation area that is annexed by any taxing unit after the effective	
9	date of the allocation provision of the declaratory resolution is the	
20	lesser of:	
21	(1) the assessed value of the property for the assessment date with	
22	respect to which the allocation and distribution is made; or	
23	(2) the base assessed value.	
24	(d) Property tax proceeds allocable to the redevelopment district	
25	under subsection (b)(2) may, subject to subsection (b)(3), be	
26	irrevocably pledged by the redevelopment district for payment as set	
27	forth in subsection (b)(2).	
28	(e) Notwithstanding any other law, each assessor shall, upon	
29	petition of the redevelopment commission, reassess the taxable	
0	property situated upon or in, or added to, the allocation area, effective	
31	on the next assessment date after the petition.	
32	(f) Notwithstanding any other law, the assessed value of all taxable	
3	property in the allocation area, for purposes of tax limitation, property	
4	tax replacement, and formulation of the budget, tax rate, and tax levy	
55	for each political subdivision in which the property is located is the	
66	lesser of:	
37	(1) the assessed value of the property as valued without regard to	
8	this section; or	
19	(2) the base assessed value.	
10	(g) If any part of the allocation area is located in an enterprise zone	
1	created under IC 5-28-15, the unit that designated the allocation area	
12	shall create funds as specified in this subsection. A unit that has	



obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. The amount sufficient for purposes specified in subsection (b)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual biennial adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual biennial adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not



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1 2	produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been	
3	received if the general reassessment or annual biennial adjustment had	
4	not occurred. The department of local government finance may	
5	prescribe procedures for county and township officials to follow to	
6	assist the department in making the adjustments.	
7	(i) The allocation deadline referred to in subsection (b) is	
8	determined in the following manner:	
9	(1) The initial allocation deadline is December 31, 2011.	
10	(2) Subject to subdivision (3), the initial allocation deadline and	
11	subsequent allocation deadlines are automatically extended in	
12	increments of five (5) years, so that allocation deadlines	
13	subsequent to the initial allocation deadline fall on December 31,	
14	2016, and December 31 of each fifth year thereafter.	
15	(3) At least one (1) year before the date of an allocation deadline	
16	determined under subdivision (2), the general assembly may enact	
17	a law that:	
18	(A) terminates the automatic extension of allocation deadlines	
19	under subdivision (2); and	
20	(B) specifically designates a particular date as the final	
21	allocation deadline.	
22	SECTION 13. IC 36-7-15.1-26, AS AMENDED BY P.L.146-2008,	
23	SECTION 755, IS AMENDED TO READ AS FOLLOWS	
24	[EFFECTIVE UPON PASSAGE]: Sec. 26. (a) As used in this section:	
25	"Allocation area" means that part of a redevelopment project area	
26	to which an allocation provision of a resolution adopted under section	
27	8 of this chapter refers for purposes of distribution and allocation of	
28	property taxes.	
29	"Base assessed value" means the following:	
30	(1) If an allocation provision is adopted after June 30, 1995, in a	
31	declaratory resolution or an amendment to a declaratory	
32	resolution establishing an economic development area:	
33	(A) the net assessed value of all the property as finally	
34	determined for the assessment date immediately preceding the	
35	effective date of the allocation provision of the declaratory	
36	resolution, as adjusted under subsection (h); plus	
37	(B) to the extent that it is not included in clause (A), the net	
38	assessed value of property that is assessed as residential	
39	property under the rules of the department of local government	
40	finance, as finally determined for any assessment date after the	
41	effective date of the allocation provision.	

(2) If an allocation provision is adopted after June 30, 1997, in a



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1	declaratory resolution or an amendment to a declaratory	
2	resolution establishing a redevelopment project area:	
3	(A) the net assessed value of all the property as finally	
4	determined for the assessment date immediately preceding the	
5	effective date of the allocation provision of the declaratory	
6	resolution, as adjusted under subsection (h); plus	
7	(B) to the extent that it is not included in clause (A), the net	
8	assessed value of property that is assessed as residential	
9	property under the rules of the department of local government	
10	finance, as finally determined for any assessment date after the	
11	effective date of the allocation provision.	
12	(3) If:	
13	(A) an allocation provision adopted before June 30, 1995, in	
14	a declaratory resolution or an amendment to a declaratory	
15	resolution establishing a redevelopment project area expires	
16	after June 30, 1997; and	
17	(B) after June 30, 1997, a new allocation provision is included	
18	in an amendment to the declaratory resolution;	
19	the net assessed value of all the property as finally determined for	
20	the assessment date immediately preceding the effective date of	
21	the allocation provision adopted after June 30, 1997, as adjusted	
22	under subsection (h).	
23	(4) Except as provided in subdivision (5), for all other allocation	
24	areas, the net assessed value of all the property as finally	
25	determined for the assessment date immediately preceding the	
26	effective date of the allocation provision of the declaratory	
27	resolution, as adjusted under subsection (h).	
28	(5) If an allocation area established in an economic development	
29	area before July 1, 1995, is expanded after June 30, 1995, the	
30	definition in subdivision (1) applies to the expanded part of the	
31	area added after June 30, 1995.	
32	(6) If an allocation area established in a redevelopment project	
33	area before July 1, 1997, is expanded after June 30, 1997, the	
34	definition in subdivision (2) applies to the expanded part of the	
35	area added after June 30, 1997.	
36	Except as provided in section 26.2 of this chapter, "property taxes"	
37	means taxes imposed under IC 6-1.1 on real property. However, upon	
38	approval by a resolution of the redevelopment commission adopted	
39	before June 1, 1987, "property taxes" also includes taxes imposed	
40	under IC 6-1.1 on depreciable personal property. If a redevelopment	
41	commission adopted before June 1, 1987, a resolution to include within	

the definition of property taxes taxes imposed under IC 6-1.1 on



depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

- (b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:
  - (1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:
    - (A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
    - (B) the base assessed value;
  - shall be allocated to and, when collected, paid into the funds of the respective taxing units.
  - (2) Except as otherwise provided in this section, property tax



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1	proceeds in excess of those described in subdivision (1) shall be	
2	allocated to the redevelopment district and, when collected, paid	
3	into a special fund for that allocation area that may be used by the	
5	redevelopment district only to do one (1) or more of the following:	
6	(A) Pay the principal of and interest on any obligations	
7	payable solely from allocated tax proceeds that are incurred by	
8	the redevelopment district for the purpose of financing or	
9	refinancing the redevelopment of that allocation area.	
10	(B) Establish, augment, or restore the debt service reserve for	
11	bonds payable solely or in part from allocated tax proceeds in	
12	that allocation area.	
13	(C) Pay the principal of and interest on bonds payable from	
14	allocated tax proceeds in that allocation area and from the	
15	special tax levied under section 19 of this chapter.	
16	(D) Pay the principal of and interest on bonds issued by the	
17	consolidated city to pay for local public improvements that are	
18	physically located in or physically connected to that allocation	
19	area.	
20	(E) Pay premiums on the redemption before maturity of bonds	
21	payable solely or in part from allocated tax proceeds in that	
22	allocation area.	
23	(F) Make payments on leases payable from allocated tax	
24	proceeds in that allocation area under section 17.1 of this	
25	chapter.	
26	(G) Reimburse the consolidated city for expenditures for local	
27	public improvements (which include buildings, parking	
28	facilities, and other items set forth in section 17 of this	
29	chapter) that are physically located in or physically connected	
30	to that allocation area.	
31	(H) Reimburse the unit for rentals paid by it for a building or	
32	parking facility that is physically located in or physically	
33	connected to that allocation area under any lease entered into	
34	under IC 36-1-10.	
35	(I) Reimburse public and private entities for expenses incurred	
36	in training employees of industrial facilities that are located:	
37	(i) in the allocation area; and	
38	(ii) on a parcel of real property that has been classified as	
39	industrial property under the rules of the department of local	
40	government finance.	
41	However, the total amount of money spent for this purpose in	
12	any year may not exceed the total amount of money in the	



1	allocation fund that is attributable to property taxes paid by the	
2	industrial facilities described in this clause. The	
3	reimbursements under this clause must be made within three	
4	(3) years after the date on which the investments that are the	
5	basis for the increment financing are made.	
6	The special fund may not be used for operating expenses of the	
7	commission.	
8	(3) Before July 15 of each year, the commission shall do the	
9	following:	
10	(A) Determine the amount, if any, by which the assessed value	
11	of the taxable property in the allocation area for the most	
12	recent assessment date minus the base assessed value, when	
13	multiplied by the estimated tax rate of the allocation area, will	
14	exceed the amount of assessed value needed to provide the	
15	property taxes necessary to make, when due, principal and	
16	interest payments on bonds described in subdivision (2) plus	
17	the amount necessary for other purposes described in	
18	subdivision (2) and subsection (g).	
19	(B) Provide a written notice to the county auditor, the	
20	legislative body of the consolidated city, and the officers who	
21	are authorized to fix budgets, tax rates, and tax levies under	
22	IC 6-1.1-17-5 for each of the other taxing units that is wholly	
23	or partly located within the allocation area. The notice must:	
24	(i) state the amount, if any, of excess assessed value that the	
25	commission has determined may be allocated to the	
26	respective taxing units in the manner prescribed in	
27	subdivision (1); or	
28	(ii) state that the commission has determined that there is no	
29	excess assessed value that may be allocated to the respective	
30	taxing units in the manner prescribed in subdivision (1).	
31	The county auditor shall allocate to the respective taxing units	
32	the amount, if any, of excess assessed value determined by the	
33	commission. The commission may not authorize an allocation	
34	to the respective taxing units under this subdivision if to do so	
35	would endanger the interests of the holders of bonds described	
36	in subdivision (2).	
37	(c) For the purpose of allocating taxes levied by or for any taxing	
38	unit or units, the assessed value of taxable property in a territory in the	
39	allocation area that is annexed by any taxing unit after the effective	
40	date of the allocation provision of the resolution is the lesser of:	
41	(1) the assessed value of the property for the assessment date with	
12	respect to which the allocation and distribution is made; or	



(2) the base assessed value.

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- (d) Property tax proceeds allocable to the redevelopment district under subsection (b)(2) may, subject to subsection (b)(3), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(2).
- (e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.
- (f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:
  - (1) the assessed value of the property as valued without regard to this section; or
  - (2) the base assessed value.
- (g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish an allocation fund for the purposes specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:
  - (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.











29 (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following: (A) Businesses operating in the enterprise zone. (B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made. (3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. (h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual biennial adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual biennial adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

subsection may not include the effect of property tax abatements under

IC 6-1.1-12.1, and these adjustments may not produce less property tax

proceeds allocable to the redevelopment district under subsection

(b)(2) than would otherwise have been received if the general

reassessment or annual biennial adjustment had not occurred. The

department of local government finance may prescribe procedures for

county and township officials to follow to assist the department in

- (1) The initial allocation deadline is December 31, 2011.
- (2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.
- (3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact



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making the adjustments.









1	a law that:
2	(A) terminates the automatic extension of allocation deadlines
3	under subdivision (2); and
4	(B) specifically designates a particular date as the final
5	allocation deadline.
6	SECTION 14. IC 36-7-15.1-53, AS AMENDED BY P.L.146-2008,
7	SECTION 765, IS AMENDED TO READ AS FOLLOWS
8	[EFFECTIVE UPON PASSAGE]: Sec. 53. (a) As used in this section:
9	"Allocation area" means that part of a redevelopment project area
10	to which an allocation provision of a resolution adopted under section
11	40 of this chapter refers for purposes of distribution and allocation of
12	property taxes.
13	"Base assessed value" means:
14	(1) the net assessed value of all the property as finally determined
15	for the assessment date immediately preceding the effective date
16	of the allocation provision of the declaratory resolution, as
17	adjusted under subsection (h); plus
18	(2) to the extent that it is not included in subdivision (1), the net
19	assessed value of property that is assessed as residential property
20	under the rules of the department of local government finance, as
21	finally determined for any assessment date after the effective date
22	of the allocation provision.
23	Except as provided in section 55 of this chapter, "property taxes"
24	means taxes imposed under IC 6-1.1 on real property.
25	(b) A resolution adopted under section 40 of this chapter on or
26	before the allocation deadline determined under subsection (i) may
27	include a provision with respect to the allocation and distribution of
28	property taxes for the purposes and in the manner provided in this
29	section. A resolution previously adopted may include an allocation
30	provision by the amendment of that resolution on or before the
31	allocation deadline determined under subsection (i) in accordance with
32	the procedures required for its original adoption. A declaratory
33	resolution or an amendment that establishes an allocation provision
34	must be approved by resolution of the legislative body of the excluded
35	city and must specify an expiration date for the allocation provision.
36	For an allocation area established before July 1, 2008, the expiration
37	date may not be more than thirty (30) years after the date on which the
38	allocation provision is established. For an allocation area established
39	after June 30, 2008, the expiration date may not be more than
40	twenty-five (25) years after the date on which the allocation provision

is established. However, with respect to bonds or other obligations that

were issued before July 1, 2008, if any of the bonds or other obligations



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1	that were scheduled when issued to mature before the specified	
2	expiration date and that are payable only from allocated tax proceeds	
3	with respect to the allocation area remain outstanding as of the	
4	expiration date, the allocation provision does not expire until all of the	
5	bonds or other obligations are no longer outstanding. The allocation	
6	provision may apply to all or part of the redevelopment project area.	
7	The allocation provision must require that any property taxes	
8	subsequently levied by or for the benefit of any public body entitled to	
9	a distribution of property taxes on taxable property in the allocation	
10	area be allocated and distributed as follows:	
11	(1) Except as otherwise provided in this section, the proceeds of	
12	the taxes attributable to the lesser of:	
13	(A) the assessed value of the property for the assessment date	
14	with respect to which the allocation and distribution is made;	
15	or	
16	(B) the base assessed value;	
17	shall be allocated to and, when collected, paid into the funds of	
18	the respective taxing units.	
19	(2) Except as otherwise provided in this section, property tax	
20	proceeds in excess of those described in subdivision (1) shall be	
21	allocated to the redevelopment district and, when collected, paid	
22	into a special fund for that allocation area that may be used by the	
23	redevelopment district only to do one (1) or more of the	
24	following:	
25	(A) Pay the principal of and interest on any obligations	
26	payable solely from allocated tax proceeds that are incurred by	
27	the redevelopment district for the purpose of financing or	
28	refinancing the redevelopment of that allocation area.	
29	(B) Establish, augment, or restore the debt service reserve for	
30	bonds payable solely or in part from allocated tax proceeds in	
31	that allocation area.	
32	(C) Pay the principal of and interest on bonds payable from	
33	allocated tax proceeds in that allocation area and from the	
34	special tax levied under section 50 of this chapter.	
35	(D) Pay the principal of and interest on bonds issued by the	
36	excluded city to pay for local public improvements that are	
37	physically located in or physically connected to that allocation	
38	area.	
39	(E) Pay premiums on the redemption before maturity of bonds	
40	payable solely or in part from allocated tax proceeds in that	
41	allocation area.	

(F) Make payments on leases payable from allocated tax



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proceeds in that allocation area under section 46 of this chapter.  (G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.  (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
(G) Reimburse the excluded city for expenditures for local public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.  (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
public improvements (which include buildings, park facilities, and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.  (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three  (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
and other items set forth in section 45 of this chapter) that are physically located in or physically connected to that allocation area.  (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three  (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
physically located in or physically connected to that allocation area.  (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three  (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
A area.  (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
connected to that allocation area under any lease entered into under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
11 under IC 36-1-10.  (I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission. (3) Before July 15 of each year, the commission shall do the following:	4
(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three  (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
in training employees of industrial facilities that are located:  (i) in the allocation area; and  (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
(i) in the allocation area; and (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
15 (ii) on a parcel of real property that has been classified as 16 industrial property under the rules of the department of local 17 government finance. 18 However, the total amount of money spent for this purpose in 19 any year may not exceed the total amount of money in the 20 allocation fund that is attributable to property taxes paid by the 21 industrial facilities described in this clause. The 22 reimbursements under this clause must be made within three 23 (3) years after the date on which the investments that are the 24 basis for the increment financing are made. 25 The special fund may not be used for operating expenses of the 26 commission. 27 (3) Before July 15 of each year, the commission shall do the 28 following:	
industrial property under the rules of the department of local government finance.  However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
17 government finance.  18 However, the total amount of money spent for this purpose in 19 any year may not exceed the total amount of money in the 20 allocation fund that is attributable to property taxes paid by the 21 industrial facilities described in this clause. The 22 reimbursements under this clause must be made within three 23 (3) years after the date on which the investments that are the 24 basis for the increment financing are made. 25 The special fund may not be used for operating expenses of the 26 commission. 27 (3) Before July 15 of each year, the commission shall do the 28 following:	
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allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.  The special fund may not be used for operating expenses of the commission.  Before July 15 of each year, the commission shall do the following:	
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basis for the increment financing are made. The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
The special fund may not be used for operating expenses of the commission.  (3) Before July 15 of each year, the commission shall do the following:	
commission.  (3) Before July 15 of each year, the commission shall do the following:	
27 (3) Before July 15 of each year, the commission shall do the following:	
28 following:	
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	1
29 (A) Determine the amount, if any, by which the assessed value	
of the taxable property in the allocation area for the most	
31 recent assessment date minus the base assessed value, when	
multiplied by the estimated tax rate of the allocation area, will	
33 exceed the amount of assessed value needed to provide the	
property taxes necessary to make, when due, principal and	
interest payments on bonds described in subdivision (2) plus	
36 the amount necessary for other purposes described in	
37 subdivision (2) and subsection (g).	
38 (B) Provide a written notice to the county auditor, the fiscal	
body of the county or municipality that established the	
department of redevelopment, and the officers who are	
41 authorized to fix budgets, tax rates, and tax levies under	
42 IC 6-1.1-17-5 for each of the other taxing units that is wholly	



1	or partly located within the allocation area. The notice must:
2	(i) state the amount, if any, of excess assessed value that the
3	commission has determined may be allocated to the
4	respective taxing units in the manner prescribed in
5	subdivision (1); or
6	(ii) state that the commission has determined that there is no
7	excess assessed value that may be allocated to the respective
8	taxing units in the manner prescribed in subdivision (1).
9	The county auditor shall allocate to the respective taxing units
10	the amount, if any, of excess assessed value determined by the
11	commission. The commission may not authorize an allocation
12	to the respective taxing units under this subdivision if to do so
13	would endanger the interests of the holders of bonds described
14	in subdivision (2).
15	(c) For the purpose of allocating taxes levied by or for any taxing
16	unit or units, the assessed value of taxable property in a territory in the
17	allocation area that is annexed by any taxing unit after the effective
18	date of the allocation provision of the resolution is the lesser of:
19	(1) the assessed value of the property for the assessment date with
20	respect to which the allocation and distribution is made; or
21	(2) the base assessed value.
22	(d) Property tax proceeds allocable to the redevelopment district
23	under subsection (b)(2) may, subject to subsection (b)(3), be
24	irrevocably pledged by the redevelopment district for payment as set
25	forth in subsection (b)(2).
26	(e) Notwithstanding any other law, each assessor shall, upon
27	petition of the commission, reassess the taxable property situated upon
28	or in, or added to, the allocation area, effective on the next assessment
29	date after the petition.
30	(f) Notwithstanding any other law, the assessed value of all taxable
31	property in the allocation area, for purposes of tax limitation, property
32	tax replacement, and formulation of the budget, tax rate, and tax levy
33	for each political subdivision in which the property is located, is the
34	lesser of:
35	(1) the assessed value of the property as valued without regard to
36	this section; or
37	(2) the base assessed value.
38	(g) If any part of the allocation area is located in an enterprise zone
39	created under IC 5-28-15, the unit that designated the allocation area
40	shall create funds as specified in this subsection. A unit that has
41	obligations, bonds, or leases payable from allocated tax proceeds under
12	subsection (b)(2) shall establish an allocation fund for the purposes



specified in subsection (b)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(2) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

- (1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.
- (2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:
  - (A) Businesses operating in the enterprise zone.
  - (B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.
- (3) To provide funds to carry out other purposes specified in subsection (b)(2). However, where reference is made in subsection (b)(2) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.
- (h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual biennial adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual biennial









1	adjustment on the property tax proceeds allocated to the redevelopment
2	district under this section. However, the adjustments under this
3	subsection may not include the effect of property tax abatements under
4	IC 6-1.1-12.1, and these adjustments may not produce less property tax
5	proceeds allocable to the redevelopment district under subsection
6	(b)(2) than would otherwise have been received if the general
7	reassessment or annual biennial adjustment had not occurred. The
8	department of local government finance may prescribe procedures for
9	county and township officials to follow to assist the department in
10	making the adjustments.
11	(i) The allocation deadline referred to in subsection (b) is
12	determined in the following manner:
13	(1) The initial allocation deadline is December 31, 2011.
14	(2) Subject to subdivision (3), the initial allocation deadline and
15	subsequent allocation deadlines are automatically extended in
16	increments of five (5) years, so that allocation deadlines
17	subsequent to the initial allocation deadline fall on December 31,
18	2016, and December 31 of each fifth year thereafter.
19	(3) At least one (1) year before the date of an allocation deadline
20	determined under subdivision (2), the general assembly may enact
21	a law that:
22	(A) terminates the automatic extension of allocation deadlines
23	under subdivision (2); and
24	(B) specifically designates a particular date as the final
25	allocation deadline.
26	SECTION 15. IC 36-7-30-25, AS AMENDED BY P.L.146-2008,
27	SECTION 770, IS AMENDED TO READ AS FOLLOWS
28	[EFFECTIVE UPON PASSAGE]: Sec. 25. (a) The following
29	definitions apply throughout this section:
30	(1) "Allocation area" means that part of a military base reuse area
31	to which an allocation provision of a declaratory resolution
32	adopted under section 10 of this chapter refers for purposes of
33	distribution and allocation of property taxes.
34	(2) "Base assessed value" means:
35	(A) the net assessed value of all the property as finally
36	determined for the assessment date immediately preceding the
37	adoption date of the allocation provision of the declaratory
38	resolution, as adjusted under subsection (h); plus
39	(B) to the extent that it is not included in clause (A) or (C), the
40	net assessed value of any and all parcels or classes of parcels
41	identified as part of the base assessed value in the declaratory

resolution or an amendment thereto, as finally determined for



1	any subsequent assessment date; plus	
2	(C) to the extent that it is not included in clause (A) or (B), the	
3	net assessed value of property that is assessed as residential	
4	property under the rules of the department of local government	
5	finance, as finally determined for any assessment date after the	
6	effective date of the allocation provision.	
7	Clause (C) applies only to allocation areas established in a	
8	military reuse area after June 30, 1997, and to the part of an	
9	allocation area that was established before June 30, 1997, and that	
10	is added to an existing allocation area after June 30, 1997.	
11	(3) "Property taxes" means taxes imposed under IC 6-1.1 on real	
12	property.	
13	(b) A declaratory resolution adopted under section 10 of this chapter	
14	before the date set forth in IC 36-7-14-39(b) pertaining to declaratory	
15	resolutions adopted under IC 36-7-14-15 may include a provision with	
16	respect to the allocation and distribution of property taxes for the	
17	purposes and in the manner provided in this section. A declaratory	
18	resolution previously adopted may include an allocation provision by	
19	the amendment of that declaratory resolution in accordance with the	
20	procedures set forth in section 13 of this chapter. The allocation	
21	provision may apply to all or part of the military base reuse area. The	
22	allocation provision must require that any property taxes subsequently	
23	levied by or for the benefit of any public body entitled to a distribution	
24	of property taxes on taxable property in the allocation area be allocated	
25	and distributed as follows:	
26	(1) Except as otherwise provided in this section, the proceeds of	_
27	the taxes attributable to the lesser of:	
28	(A) the assessed value of the property for the assessment date	
29	with respect to which the allocation and distribution is made;	
30	or	
31	(B) the base assessed value;	
32	shall be allocated to and, when collected, paid into the funds of	
33	the respective taxing units.	
34	(2) Except as otherwise provided in this section, property tax	
35	proceeds in excess of those described in subdivision (1) shall be	
36	allocated to the military base reuse district and, when collected,	
37	paid into an allocation fund for that allocation area that may be	
38	used by the military base reuse district and only to do one (1) or	
39	more of the following:	
40	(A) Pay the principal of and interest and redemption premium	

on any obligations incurred by the military base reuse district

or any other entity for the purpose of financing or refinancing



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1	military base reuse activities in or directly serving or	
2	benefiting that allocation area.	
3	(B) Establish, augment, or restore the debt service reserve for	
4	bonds payable solely or in part from allocated tax proceeds in	
5	that allocation area or from other revenues of the reuse	
6	authority, including lease rental revenues.	
7	(C) Make payments on leases payable solely or in part from	
8	allocated tax proceeds in that allocation area.	
9	(D) Reimburse any other governmental body for expenditures	4
10	made for local public improvements (or structures) in or	4
11	directly serving or benefiting that allocation area.	
12	(E) For property taxes first due and payable before 2009, pay	
13	all or a part of a property tax replacement credit to taxpayers	
14	in an allocation area as determined by the reuse authority. This	
15	credit equals the amount determined under the following	_
16	STEPS for each taxpayer in a taxing district (as defined in	4
17	IC 6-1.1-1-20) that contains all or part of the allocation area:	
18	STEP ONE: Determine that part of the sum of the amounts	
19	under IC $6-1.1-21-2(g)(1)(A)$ , IC $6-1.1-21-2(g)(2)$ ,	
20	IC $6-1.1-21-2(g)(3)$ , IC $6-1.1-21-2(g)(4)$ , and	
21	IC $6-1.1-21-2(g)(5)$ that is attributable to the taxing district.	
22	STEP TWO: Divide:	
23	(i) that part of each county's eligible property tax	
24	replacement amount (as defined in IC 6-1.1-21-2) for that	
25	year as determined under IC 6-1.1-21-4 that is attributable	
26	to the taxing district; by	
27	(ii) the STEP ONE sum.	<b>T</b>
28	STEP THREE: Multiply:	\
29	(i) the STEP TWO quotient; times	
30	(ii) the total amount of the taxpayer's taxes (as defined in	
31	IC 6-1.1-21-2) levied in the taxing district that have been	
32	allocated during that year to an allocation fund under this	
33	section.	
34	If not all the taxpayers in an allocation area receive the credit	
35	in full, each taxpayer in the allocation area is entitled to	
36	receive the same proportion of the credit. A taxpayer may not	
37	receive a credit under this section and a credit under section	
38	27 of this chapter (before its repeal) in the same year.	
39	(F) Pay expenses incurred by the reuse authority for local	
40	public improvements or structures that were in the allocation	
41	area or directly serving or benefiting the allocation area.	
42	(G) Reimburse public and private entities for expenses	



1	incurred in training employees of industrial facilities that are
2	located:
3	(i) in the allocation area; and
4	(ii) on a parcel of real property that has been classified as
5	industrial property under the rules of the department of local
6	government finance.
7	However, the total amount of money spent for this purpose in
8	any year may not exceed the total amount of money in the
9	allocation fund that is attributable to property taxes paid by the
.0	industrial facilities described in this clause. The
.1	reimbursements under this clause must be made not more than
.2	three (3) years after the date on which the investments that are
.3	the basis for the increment financing are made.
4	The allocation fund may not be used for operating expenses of the
.5	reuse authority.
.6	(3) Except as provided in subsection (g), before July 15 of each
.7	year the reuse authority shall do the following:
.8	(A) Determine the amount, if any, by which property taxes
9	payable to the allocation fund in the following year will exceed
20	the amount of property taxes necessary to make, when due,
21	principal and interest payments on bonds described in
22	subdivision (2) plus the amount necessary for other purposes
23	described in subdivision (2).
24	(B) Provide a written notice to the county auditor, the fiscal
25	body of the unit that established the reuse authority, and the
26	officers who are authorized to fix budgets, tax rates, and tax
27	levies under IC 6-1.1-17-5 for each of the other taxing units
28	that is wholly or partly located within the allocation area. The
29	notice must:
0	(i) state the amount, if any, of excess property taxes that the
31	reuse authority has determined may be paid to the respective
32	taxing units in the manner prescribed in subdivision (1); or
33	(ii) state that the reuse authority has determined that there
34	are no excess property tax proceeds that may be allocated to
35	the respective taxing units in the manner prescribed in
66	subdivision (1).
37	The county auditor shall allocate to the respective taxing units
8	the amount, if any, of excess property tax proceeds determined
19	by the reuse authority. The reuse authority may not authorize
10	a payment to the respective taxing units under this subdivision
1	if to do so would endanger the interest of the holders of bonds
12	described in subdivision (2) or lessors under section 19 of this



1	chapter. Property taxes received by a taxing unit under this
2	subdivision before 2009 are eligible for the property tax
3	replacement credit provided under IC 6-1.1-21.
4	(c) For the purpose of allocating taxes levied by or for any taxing
5	unit or units, the assessed value of taxable property in a territory in the
6	allocation area that is annexed by a taxing unit after the effective date
7	of the allocation provision of the declaratory resolution is the lesser of:
8	(1) the assessed value of the property for the assessment date with
9	respect to which the allocation and distribution is made; or
10	(2) the base assessed value.
11	(d) Property tax proceeds allocable to the military base reuse district
12	under subsection (b)(2) may, subject to subsection (b)(3), be
13	irrevocably pledged by the military base reuse district for payment as
14	set forth in subsection (b)(2).
15	(e) Notwithstanding any other law, each assessor shall, upon
16	petition of the reuse authority, reassess the taxable property situated
17	upon or in or added to the allocation area, effective on the next
18	assessment date after the petition.
19	(f) Notwithstanding any other law, the assessed value of all taxable
20	property in the allocation area, for purposes of tax limitation, property
21	tax replacement, and the making of the budget, tax rate, and tax levy
22	for each political subdivision in which the property is located is the
23	lesser of:
24	(1) the assessed value of the property as valued without regard to
25	this section; or
26	(2) the base assessed value.
27	(g) If any part of the allocation area is located in an enterprise zone
28	created under IC 5-28-15, the unit that designated the allocation area
29	shall create funds as specified in this subsection. A unit that has
30	obligations, bonds, or leases payable from allocated tax proceeds under
31	subsection (b)(2) shall establish an allocation fund for the purposes
32	specified in subsection (b)(2) and a special zone fund. Such a unit
33	shall, until the end of the enterprise zone phase out period, deposit each
34	year in the special zone fund any amount in the allocation fund derived
35	from property tax proceeds in excess of those described in subsection
36	(b)(1) from property located in the enterprise zone that exceeds the
37	amount sufficient for the purposes specified in subsection (b)(2) for the
38	year. The amount sufficient for purposes specified in subsection (b)(2)
39	for the year shall be determined based on the pro rata part of such
40	current property tax proceeds from the part of the enterprise zone that
41	is within the allocation area as compared to all such current property
<b>-1</b>	is within the anocation area as compared to an such current property

tax proceeds derived from the allocation area. A unit that does not have



obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base reuse district under this section. After each annual biennial adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual biennial adjustment on the property tax proceeds allocated to the military base reuse district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base reuse district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual biennial adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 16. IC 36-7-30.5-30, AS AMENDED BY P.L.146-2008, SECTION 772, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 30. (a) The following definitions apply throughout this section:

- (1) "Allocation area" means that part of a military base development area to which an allocation provision of a declaratory resolution adopted under section 16 of this chapter refers for purposes of distribution and allocation of property taxes.
- (2) "Base assessed value" means:
  - (A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the









1	adoption date of the allocation provision of the declaratory	
2	resolution, as adjusted under subsection (h); plus	
3	(B) to the extent that it is not included in clause (A) or (C), the	
4	net assessed value of any and all parcels or classes of parcels	
5	identified as part of the base assessed value in the declaratory	
6	resolution or an amendment to the declaratory resolution, as	
7	finally determined for any subsequent assessment date; plus	
8	(C) to the extent that it is not included in clause (A) or (B), the	
9	net assessed value of property that is assessed as residential	
10	property under the rules of the department of local government	
11	finance, as finally determined for any assessment date after the	
12	effective date of the allocation provision.	
13	(3) "Property taxes" means taxes imposed under IC 6-1.1 on real	
14	property.	
15	(b) A declaratory resolution adopted under section 16 of this chapter	
16	before the date set forth in IC 36-7-14-39(b) pertaining to declaratory	
17	resolutions adopted under IC 36-7-14-15 may include a provision with	
18	respect to the allocation and distribution of property taxes for the	
19	purposes and in the manner provided in this section. A declaratory	
20	resolution previously adopted may include an allocation provision by	
21	the amendment of that declaratory resolution in accordance with the	
22	procedures set forth in section 18 of this chapter. The allocation	
23	provision may apply to all or part of the military base development	
24	area. The allocation provision must require that any property taxes	_
25	subsequently levied by or for the benefit of any public body entitled to	
26	a distribution of property taxes on taxable property in the allocation	_
27	area be allocated and distributed as follows:	
28	(1) Except as otherwise provided in this section, the proceeds of	Y
29	the taxes attributable to the lesser of:	
30	(A) the assessed value of the property for the assessment date	
31	with respect to which the allocation and distribution is made;	
32	or	
33	(B) the base assessed value;	
34	shall be allocated to and, when collected, paid into the funds of	
35	the respective taxing units.	
36	(2) Except as otherwise provided in this section, property tax	
37	proceeds in excess of those described in subdivision (1) shall be	
38	allocated to the development authority and, when collected, paid	
39	into an allocation fund for that allocation area that may be used by	
40	the development authority and only to do one (1) or more of the	
41	following:	

(A) Pay the principal of and interest and redemption premium



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1	on any obligations incurred by the development authority or	
2	any other entity for the purpose of financing or refinancing	
3	military base development or reuse activities in or directly	
4	serving or benefitting that allocation area.	
5	(B) Establish, augment, or restore the debt service reserve for	
6	bonds payable solely or in part from allocated tax proceeds in	
7	that allocation area or from other revenues of the development	
8	authority, including lease rental revenues.	
9	(C) Make payments on leases payable solely or in part from	
10	allocated tax proceeds in that allocation area.	
11	(D) Reimburse any other governmental body for expenditures	
12	made for local public improvements (or structures) in or	
13	directly serving or benefitting that allocation area.	
14	(E) For property taxes first due and payable before 2009, pay	
15	all or a part of a property tax replacement credit to taxpayers	_
16	in an allocation area as determined by the development	
17	authority. This credit equals the amount determined under the	
18	following STEPS for each taxpayer in a taxing district (as	
19	defined in IC 6-1.1-1-20) that contains all or part of the	
20	allocation area:	
21	STEP ONE: Determine that part of the sum of the amounts	
22	under IC $6-1.1-21-2(g)(1)(A)$ , IC $6-1.1-21-2(g)(2)$ ,	
23	IC $6-1.1-21-2(g)(3)$ , IC $6-1.1-21-2(g)(4)$ , and	
24	IC $6-1.1-21-2(g)(5)$ that is attributable to the taxing district.	_
25	STEP TWO: Divide:	
26	(i) that part of each county's eligible property tax	_
27	replacement amount (as defined in IC 6-1.1-21-2) for that	
28	year as determined under IC 6-1.1-21-4 that is attributable	7
29	to the taxing district; by	
30	(ii) the STEP ONE sum.	
31	STEP THREE: Multiply:	
32	(i) the STEP TWO quotient; by	
33	(ii) the total amount of the taxpayer's taxes (as defined in	
34	IC 6-1.1-21-2) levied in the taxing district that have been	
35	allocated during that year to an allocation fund under this	
36	section.	
37	If not all the taxpayers in an allocation area receive the credit	
38	in full, each taxpayer in the allocation area is entitled to	
39	receive the same proportion of the credit. A taxpayer may not	
40	receive a credit under this section and a credit under section	
41	32 of this chapter (before its repeal) in the same year.	
42	(F) Pay expenses incurred by the development authority for	



1	local public improvements or structures that were in the	
2	allocation area or directly serving or benefitting the allocation	
3	area.	
4	(G) Reimburse public and private entities for expenses	
5	incurred in training employees of industrial facilities that are	
6	located:	
7	(i) in the allocation area; and	
8	(ii) on a parcel of real property that has been classified as	
9	industrial property under the rules of the department of local	
10	government finance.	
11	However, the total amount of money spent for this purpose in	
12	any year may not exceed the total amount of money in the	
13	allocation fund that is attributable to property taxes paid by the	
14	industrial facilities described in this clause. The	
15	reimbursements under this clause must be made not more than	
16	three (3) years after the date on which the investments that are	
17	the basis for the increment financing are made.	
18	The allocation fund may not be used for operating expenses of the	
19	development authority.	
20	(3) Except as provided in subsection (g), before July 15 of each	
21	year the development authority shall do the following:	
22	(A) Determine the amount, if any, by which property taxes	
23	payable to the allocation fund in the following year will exceed	
24	the amount of property taxes necessary to make, when due,	_
25	principal and interest payments on bonds described in	
26	subdivision (2) plus the amount necessary for other purposes	_
27	described in subdivision (2).	
28	(B) Provide a written notice to the appropriate county auditors	
29	and the fiscal bodies and other officers who are authorized to	
30	fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for	
31	each of the other taxing units that is wholly or partly located	
32	within the allocation area. The notice must:	
33	(i) state the amount, if any, of the excess property taxes that	
34	the development authority has determined may be paid to	
35	the respective taxing units in the manner prescribed in	
36	subdivision (1); or	
37	(ii) state that the development authority has determined that	
38	there is no excess assessed value that may be allocated to the	
39	respective taxing units in the manner prescribed in	
40	subdivision (1).	
41	The county auditors shall allocate to the respective taxing units	
42	the amount, if any, of excess assessed value determined by the	



1	development authority. The development authority may not
2	authorize a payment to the respective taxing units under this
3	subdivision if to do so would endanger the interest of the
4	holders of bonds described in subdivision (2) or lessors under
5	section 24 of this chapter. Property taxes received by a taxing
6	unit under this subdivision before 2009 are eligible for the
7	property tax replacement credit provided under IC 6-1.1-21.
8	(c) For the purpose of allocating taxes levied by or for any taxing
9	unit or units, the assessed value of taxable property in a territory in the
10	allocation area that is annexed by a taxing unit after the effective date
11	of the allocation provision of the declaratory resolution is the lesser of:
12	(1) the assessed value of the property for the assessment date with
13	respect to which the allocation and distribution is made; or
14	(2) the base assessed value.
15	(d) Property tax proceeds allocable to the military base development
16	district under subsection (b)(2) may, subject to subsection (b)(3), be
17	irrevocably pledged by the military base development district for
18	payment as set forth in subsection (b)(2).
19	(e) Notwithstanding any other law, each assessor shall, upon
20	petition of the development authority, reassess the taxable property
21	situated upon or in or added to the allocation area, effective on the next
22	assessment date after the petition.
23	(f) Notwithstanding any other law, the assessed value of all taxable
24	property in the allocation area, for purposes of tax limitation, property
25	tax replacement, and the making of the budget, tax rate, and tax levy
26	for each political subdivision in which the property is located is the
27	lesser of:
28	(1) the assessed value of the property as valued without regard to
29	this section; or
30	(2) the base assessed value.
31	(g) If any part of the allocation area is located in an enterprise zone
32	created under IC 5-28-15, the development authority shall create funds
33	as specified in this subsection. A development authority that has
34	obligations, bonds, or leases payable from allocated tax proceeds under
35	subsection (b)(2) shall establish an allocation fund for the purposes
36	specified in subsection (b)(2) and a special zone fund. The
37	development authority shall, until the end of the enterprise zone phase
38	out period, deposit each year in the special zone fund any amount in the

allocation fund derived from property tax proceeds in excess of those

described in subsection (b)(1) from property located in the enterprise

zone that exceeds the amount sufficient for the purposes specified in

subsection (b)(2) for the year. The amount sufficient for purposes



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specified in subsection (b)(2) for the year shall be determined based on the pro rata part of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A development authority that does not have obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) that are derived from property in the enterprise zone in the fund. The development authority that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or for other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to an allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. The programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the military base development district under this section. After each annual biennial adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual biennial adjustment on the property tax proceeds allocated to the military base development district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the military base development district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual biennial adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

SECTION 17. IC 36-7-32-19, AS AMENDED BY P.L.154-2006, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that the state board of accounts and department of local government finance consider appropriate for the



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